

14V - DEBT PREPAYMENT FUND

Operational Summary

Agency Description:

To reduce the general fund debt burden.

This fund was created by Board action on October 20, 1999 which transferred \$27.1 million from the Debt Repayment reserve to this new fund. The Board also authorized the use of bankruptcy litigation proceeds, \$297.2 million, Tobacco Settlement Revenue (Fund 14X), \$23.6 million and Pension Obligation Bond Debt Service Savings (Fund 100, Agency

004), \$16.0 million to eliminate Pension Obligation Bonds (Fund 15J) and the 1995 Refunding Recovery Bonds (Fund 15P) debt. On March 30, 2000 the County purchased through tender offer, about \$276.0 million (43% of the total outstanding) in outstanding bonds and cancelled them.

The cost of the tender offer purchase was \$166.4 million. On May 2, 2000 the Board authorized the defeasance of the remaining \$363.1 million. All the remaining Pension Obligation Bonds are targeted for purchase or defeasance by June 30, 2000.

At a Glance:

Total FY 1999-00 Actual Expenditure + Encumbrance:	355,016,574
Total Final FY 2000-01 Budget:	273,119,747
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To eliminate all outstanding Pension Obligation Bonds and 1995 Refunding Recovery Bonds, reducing the debt burden of the general fund.

Fiscal Year 1999-00 Key Project Accomplishments:

- Elimination of 100% of the County's Pension Obligation Bond debt, with savings to the General Fund of about \$30 million per year.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Eliminate Pension Obligation Bond and 1995 Recovery Bond Debt by FY 2005-06.

Changes Included in the Recommended Base Budget:

This is a new fund created during FY 1999-2000 for the purpose of providing necessary appropriations for general fund debt elimination.

Approved Budget Augmentations and Related Performance Results:

Unit/Amount	Description	Performance Plan	Ref. Num.
Debt Prepayment Fund	Increase appropriations to reflect operating	Approved pending Tobacco Settlement Revenue	14V-001
Amount:\$ 117,790,747	transfers from Funds 004, 13D, 13E, 13H and 15S.	Securitization. Reduce 1995 refunding recovery bond debt	

Final Budget and History:

Sources and Uses	FY 1998-99 Actual Exp/Rev ⁽¹⁾	FY 1999-00 Final Budget	FY 1999-00 Actual Exp/Rev ⁽¹⁾	FY 2000-01 Final Budget	Change from FY 99-00 Actual	
					Amount	Percent
Total Revenues	0	0	383,251,599	124,290,747	(258,960,852)	-67.57
Total Requirements	0	0	355,016,574	273,119,747	(81,896,827)	-23.07
FBA	0	0	0	148,829,000	148,829,000	0.00

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 1999-00 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: DEBT PREPAYMENT FUND in the Appendix on page 511.

Highlights of Key Trends:

- Elimination of 43% of the County's Pension Obligation Bond Debt.